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ABSTRACT

This document presents a variety of creative activities for young people to help them not only understand some of the principles of economics but, further, enjoy the study of economics. The book, while not a comprehensive or in-depth view of the science of economics, comprises a quick survey of some important aspects of understanding the system. The book is organized around four major concepts: substance, the tools, the system of distribution, and the control of economics. Within these broader categories are activities such as role playing, puzzles, questions, and pictures to aid in the understanding of the economic system. The concepts include production, money, banking, credit, prices, business, advertising, occupations, government, taxes, lobbying, and insurance. (Author/JR)

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THE "DISMAL SCIENCE" — ECONOMICS

Creative Challenges for Young People, Their Teachers and Parents

by Norman L. Ellenberg, Ed.D.

Illustrations by Therese Forman
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Hollywood, Calif.

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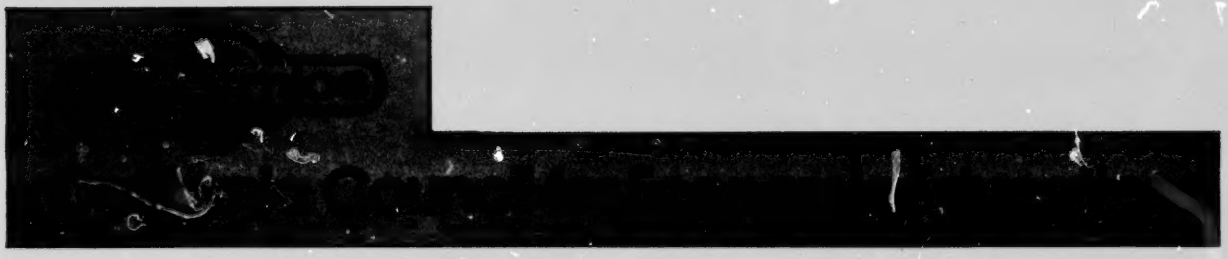

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HOW TO USE THIS BOOK

The book is organized around four major areas or BLOCKS:

Block I – The substance of Economics – **Decisions!**

What shall be produced?

How shall goods and services be produced?

Who shall get the goods and services produced?

Block II – The tools used by the "machine" we call Economics

Money as a trading tool

Banking as a stimulator to facilitate production and consumption

Credit, a tool used by individuals, business, and government

Block III – About the system of Distribution – **sharing** the goods and services

The pricing system, a rationer of goods and services

How Business organizes for the job of distribution

Advertising and the market system of distribution

Occupations, a determiner of the share of goods and services received

Block IV – Controlling the "machine"

Government's job of caring for the welfare of all her citizens

Taxes – siphoning off funds to guarantee services best provided in common

Lobbying – what may be good for one group may not be good for all

Insurance – A stabilizing force against catastrophe

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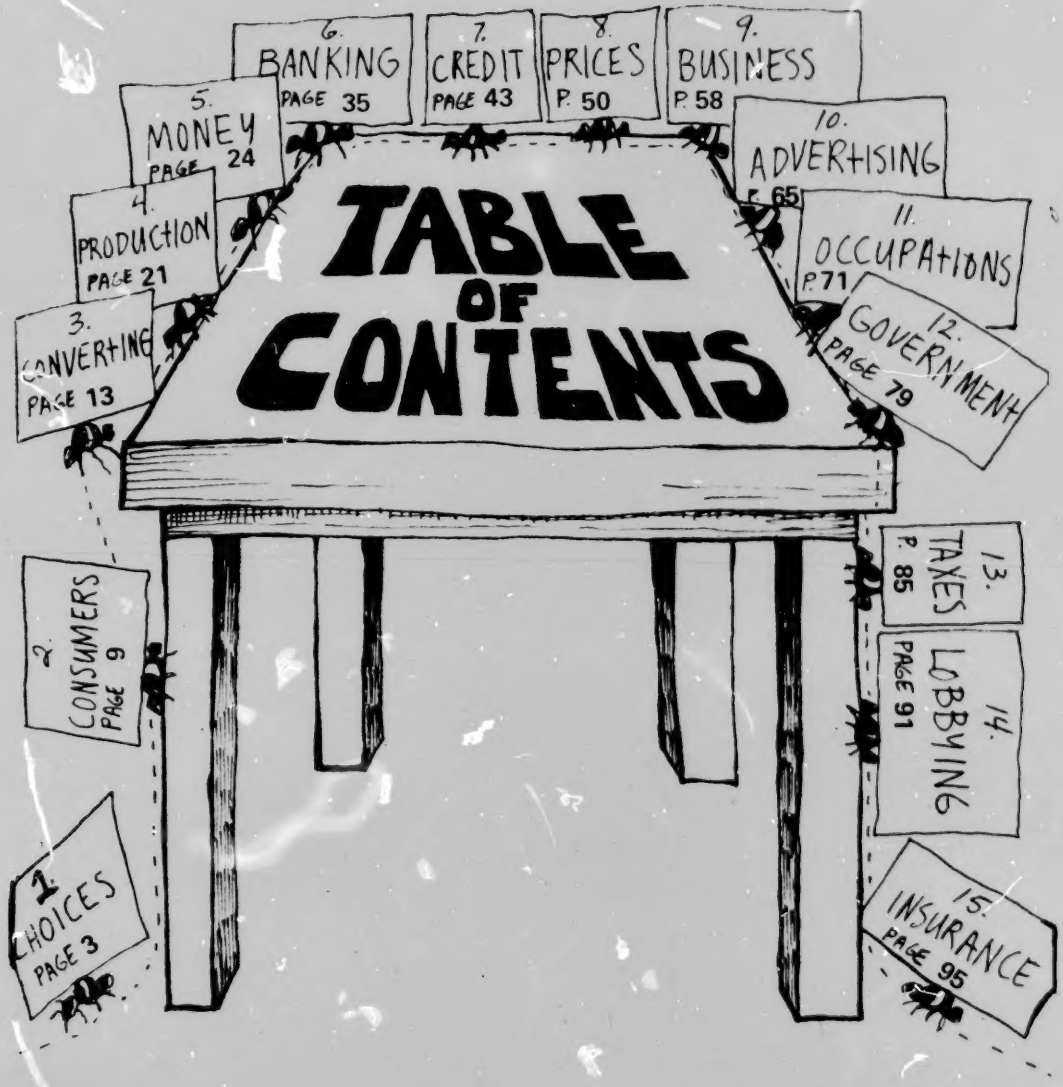
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TO THE STUDENT

Do you leave food on your plate?

When I was a boy, my Mother used to say it was a sin to waste food, because children were starving in other parts of the world.

Does your Mother say that to you?

I used to think my Mother was making it up, to get me to eat. Later in life I visited other places. I saw my mother was right. Most of the rest of the world is poor compared to the United States. Children in many other countries do not have enough food, clothes, medicine or ANYTHING!

You live in the richest country in the WORLD!

Even though Americans make up only 6 out of every 100 people on Earth, we "use up" or consume about half of the world's goods.

Why do we as a nation have so much? Because we are still the world's greatest makers or producers of goods. That is an important part of the story.

The whole story is not so simple. It is like a giant jigsaw puzzle. There are many pieces to the puzzle.

You will learn more as you read this book. Do the activities. Pick a friend to work with. Ask your teachers and parents to listen to you, too. Not only will you learn many new things, but you'll be able to share your knowledge with others!

Norman Ellenberg

00006

HOTLINE!

TO THE TEACHER

If you've ever spent any money, you have used an economic principle.

If you've ever earned any money, paid any tax, written a check or deferred from making a purchase, you have invoked other economic principles.

The plain fact is, we are all Amateur Economists without knowing it.

This book, while not a comprehensive or in-depth view of the science of Economics, is a quick survey of some of the parts of the animal that is called "Economics." Just as few of us would not start out in sports by playing in the Olympics, we must start somewhere.

That "somewhere" is the hope of these notes: that you will enter into a pedagogical partnership with your children to learn or re-learn something about economics in the context of people, not on some lofty theoretical plane.

Thomas Carlyle once called Economics "The dismal science." It needn't be. If you can relax and assume the attitude of a non-expert about to explore, you and your children will soon see that you are taking what you already know and putting it into a certain context. That context, or perspective, which is another way of viewing the world, is Economics.

Safe journey,

Norman Ellenberg, Ed.D.
California State University
Los Angeles, California 90032

00007

CHOICES

Guess, if you can,

Choose, if you dare.

– Pierre Corneille –

00008

CHAPTER 1.

This or That? – Choices

Pretend you are a WILD ANIMAL! You are out in the wilderness. Free! How does it feel? Try out your animal voice. Share your animal sounds with a friend.

Later you get hungry. To get food you must hunt for it. If you are lucky, it may not be far. If not, you may have to spend most of your time hunting for food, especially if there is more than one "mouth" to feed.

Humans store food. We do not hunt for it each time we are hungry. Humans also make food by growing or raising it. Does this sound like a good idea?

Humans have to decide how much food to grow or raise. Also how much food to store. There are a large number of such choices that humans have to make.

In fact, there are those who say that choice-making is the most important activity of humans. Do you think so? _____

Do you buy everything you want? Probably not.

List or draw here one thing
you have been wanting

_____

_____

List or draw here one other
thing you have been wanting.

_____

_____

00010

Suppose you had to decide between the two – which would you choose?

_____ Why? _____

Was the price of the items important? _____ Often the price is the most important thing in choice-making. The price of things is usually the basic consideration in choice-making for FAMILIES, too. Can you think of something your family has been wanting?

List or draw it here:

_____

_____

Families make "buying-choices", too. Since economics (ee-ko-nom-iks) is all about choosing, making and sharing, we can call these buying-choices Economic choices.

Economic choices and decisions are also constantly being made by businesses. The managers of a business choose whether to grow larger or not. They must decide how many things to make – also how many people to hire. Should the business gamble (or risk) on a new product? Would it be worth the risk? Every business must continuously face difficult questions which involve choices and decisions!

Countries make economic choices, too. Think of a country as an unusually large family. Our country, the United States, must decide whether to spend money (and how much) on the space program, defense, conservation and much more.

00011

THE CHOICE GAME

BE A WILD ANIMAL AGAIN! A wolf! You are the leader of a wolf family—a pack!

It's not easy to be a GOOD leader. Your pack depends on you. There are certain "question clouds" hanging over your head. Answers will be needed for these questions:

1) What kind of food will the pack need? (Vegetables or meat?)
2) How much food is needed? (Enough for one meal or many meals?)
3) How much food shall the pack save? (Or should it use it all up?)
4) What method of food-gathering will the pack use? (Group or individual?)
5) How shall the pack share (divide) the food that is gathered? (Young ones first?)

Pretend your own class is the wolf pack. Challenge them to help you find answers for those important "question-clouds."

MORE QUESTIONS THAT REQUIRE CHOICES.

One class in a California school made up these "choice" questions:

1) Should the hunters who get the food receive the same amount as those who stay at home? What about the leader?
2) Should sick wolves who do no work share the food?
3) What should be done with extra food not needed right away?

If you can, see what your "pack" can do with these questions.

00012

A1060013

CONSUMERS

In some way, we can all produce wealth,

even while we are consuming it.

– with apologies to

George Bernard Shaw

00014

CHAPTER 2.

Consumers

This is NOT a picture of a dog!

It is a picture of a consumer. A consumer "uses up" "goods" and "services."

A good is a "touchable", like ice cream – a service is less-than-touchable,

like what you have left after you leave the movie-house!

CHALLENGE:

List or draw 5 things that a dog consumes. (See possible answers below)

1. _____

2. _____

3. _____

4. _____

5. _____

SOME POSSIBLE ANSWERS

Dogs consume various foods, water, air to breathe, shampoo, dog toys, medicines when ill, even vitamins. Also, they consume such items as vets' and kennel services, dog licensing services, etc. The list is very long. Note that dogs, like the rest of us, consume SERVICES as well as GOODS.

P000015

This is NOT a picture of a baby!

It is a picture of a consumer!

A consumer "uses up" or consumes goods and services. Sometimes a good is consumed slowly, like a bike. Sometimes it is consumed quickly, like a candy bar.

CHALLENGE:

List or draw 10 things a baby consumes. Which are consumed very slowly? Which are fast? (Check with your family members or your teacher to find out.)

_____

_____

If you will look into a mirror you will see a CONSUMER you know well – – – YOURSELF! Name 5 things <u>you</u> consume.

All living things, big and small alike, are consumers. We all "use up" something, even though it is sometimes hard to see what is being consumed; see the end of this chapter for "invisible" or intangible consuming of services.

00016

Connect the dots below to show a consumer who wears no clothes, never goes to the movies, is friendly with insects and never "eats" anything but, air, minerals and water!

CONNECT THE DOTS

"Invisible" consumption. What people do for you (services) are also consumed every day of the year. Name as many services as you can. (Hint: your teacher performs a very valuable service.)

What is the opposite of invisible? Give 10 examples of visible goods. (Hint: they are usually 'touchable')

00017

CONVERTING*

* Special note to TEACHERS:

"Converting" is not an economic term – but a general one to describe the process of Production. The basics still prevail: labor and tools and place to work are used to convert raw materials to a finished product (often a "hidden" process.) A PRODUCER (next chapter) is a person who does useful work. This chapter is a lead-up to ease the student into the subject of production.

Woman: "I can hardly believe that my beautiful fur came from such a small, smelly beast."

Mink: "I can hardly believe that they took my cousin's beautiful fur for such a large smelly beast."

00018

CHAPTER 3.

Change It To Use It!
(Converting)

AN INVITATION

RIDDLES – Can you figure these out?

1) My car rides on sticky goo from trees.

   Explain. _____

2) My son throws pigs in the Fall.

   Explain. _____

3) Ladies sometimes wear dresses made by worms.

   Explain. _____

4) My sweater was once worn by a sheep.

   Explain. _____

5) Men wear animal skins to hold up their pants.

   Explain. _____

ANSWER BOX TO RIDDLES

1. "Goo" is rubber latex from trees; used for making auto tires.
2. Skin or hide from pigs (pigskin); used for making footballs.
3. Silkworms spin threads of silk in their bodies; used for fabric (cloth) to make ladies' dresses.
4. Thick body hair, wool, from sheep; knitted into sweaters.
5. Animal skin or "hides"; made into leather belts.

Each of these riddles help us to know that raw materials are often CHANGED or CONVERTED to another form before being used.

00019

What is your favorite food?_____

Where does food come from? If you said from animals and also plants, you were certainly right!

"ONE-STEP" FOODS*

Apples come from plants. They grow on apple trees. When ripe, they can be eaten right away. They do not have to be changed. Can you name another food that can be eaten right away? If you thought of something like raw tomatoes or any food that did not HAVE to be cooked or otherwise changed, you were right!

But, how do we get peanut "butter"? There is no peanut butter tree! Peanut butter is grown as peanuts, but it has been changed into peanut butter. This makes it a "ONE-STEP-MORE" FOOD: whole peanuts ground into a paste we call peanut "butter".

OTHER "ONE-STEP-MORE" FOODS**

There is no bubble-gum bush! Material from a tree PLUS other things were changed or converted into bubble gum. The same kind of change must happen before candy is ready to be eaten.

*Nature makes the conversion
**Man-made or "assembly-line" conversion

00020

PLAY THE "ONE-STEP-MORE" GAME

A magician has changed you from a student to a powerful GIANT! You are so strong you can easily handle a supermarket shopping cart with one hand! In fact, you will handle two carts at the same time, one with each hand.

60021

The first cart is a "One-Step Cart."

The second cart is a "One-Step-More" cart.

From your shopping list below, decide which foods properly go into each cart. Write the name of the food on the lines available within each cart on the following page.

SHOPPING LIST

bread	lemonade	butter
hamburger	cheese	noodles
raw peas	orange	can of peas
banana	egg salad	hot dog
milk	pizza	apple
ice cream	eggs	applesauce
lemon	raw tomato	

(Answers at the bottom of page)

Answers to "One-Step-More" Game.

These foods normally go into the "One-Step" basket: orange, raw peas, milk, apple, raw tomato, banana, eggs and lemon. The rest go into the "One-Step-More" basket. If you have any questions, ask your teacher.

00023

PLAY THE "DUMB GENIE" GAME

You have gotten a genie from a bottle. He is strong but not too bright. He can BUILD you anything, but needs YOU TO SUPPLY THE BRAINS!

To have him make you a finished product (one ready to be consumed), you must tell him which "raw" or unfinished material he is to use.

You have decided you want the following finished products numbered as follows:

1. a gold ring for your Mother
2. a fur piece for a special lady
3. plastic toys for yourself
4. a wooden rocking chair
5. a new wool carpet for your house

The raw materials needed for these five things are shown in the pictures on the opposite page. Match by placing the proper number from above near or on each of the raw materials so that your dumb genie will know WHICH raw material to use for each finished product.

Remember, place the numbers carefully, if you want the finished products to come out right!

Pick a friend to show this to and see if he agrees. Show this to your teacher when finished.

00024

00025

PRODUCTION

It's usualy harder to make than break!

00026

CHAPTER 4.

Production
(performing useful work)

Ever dream of being a millionaire? What would you LOOK LIKE to have all that money? Draw a picture of yourself with all your money:

There is probably no end to the things you'd want to buy – an UNLIMITED number, right? DRAW or LIST a few of the most important things you would buy:

_____

_____

_____

_____

_____

_____

Wait! - - - - a strange thing has happened!

A mysterious force has made EVERYBODY millionaires! Every man, woman and child now has all the money he thought he would ever need!

Can you imagine the lines of people outside every store wanting to buy . . . .

. . . . EVERYTHING!

Soon the stores will run out of things to sell . . . . Frantically, the storekeepers order more things from the makers . . . . but the makers soon run out of things too. Now that everybody thinks they are so wealthy, nobody wants to WORK! And so nothing is PRODUCED!

All that money and nothing to buy . . . . THINGS MUST FIRST BE MADE BEFORE THEY CAN BE BOUGHT. It is not easy to make things.

00027

Parents sometimes complain that children break things. It's usually much easier to BREAK something than MAKE it. Do you agree?_____

A bicycle maker (or producer) needs lots of materials and skill to make bikes. Can you list or draw some of the things he NEEDS?

_____

_____

_____

_____

_____

_____

_____

_____

If you said bicycle tires, handlebars, seats and chains, you were on the right track. He also needs:

✓ People – lots of them – for the many jobs to be done.

• A place (factory), and land in which to make his bikes.

▪ Money to buy materials and pay his workers.

† Machines to help him do the work quickly – tools.

Putting together a working team to buy the right materials, and sell bikes that people will buy, requires great skill. And risk. And time.

Even though people have UNLIMITED WANTS, the sad truth is that there is only a LIMITED amount of things that can be made.

Why is this so? _____

Remember, you can't buy what hasn't been made! Cheer up . . . . remember what was said about the United States? We are the world's RICHEST people! Why? Because the United States does PRODUCE more goods per person than most other countries in the world. Compared to most other children around the world, you're almost LIKE a millionaire!

T500 00028

MONEY

00029

MONEY

Went to the river, couldn't get across,

Paid five dollars for an old gray hoss.

Hoss wouldn't pull so I traded for a bull.

Bull wouldn't holler so I traded for a dollar.

Dollar wouldn't pass so I threw it on the grass.

Grass wouldn't grow so I traded for a hoe.

Hoe wouldn't dig so I traded for a pig.

Pig wouldn't squeal so I traded for a wheel.

Wheel wouldn't run so I traded for a gun.

Gun wouldn't shoot so I traded for a boot.

Boot wouldn't fit so I thought I'd better quit.

So

I

quit.

00030

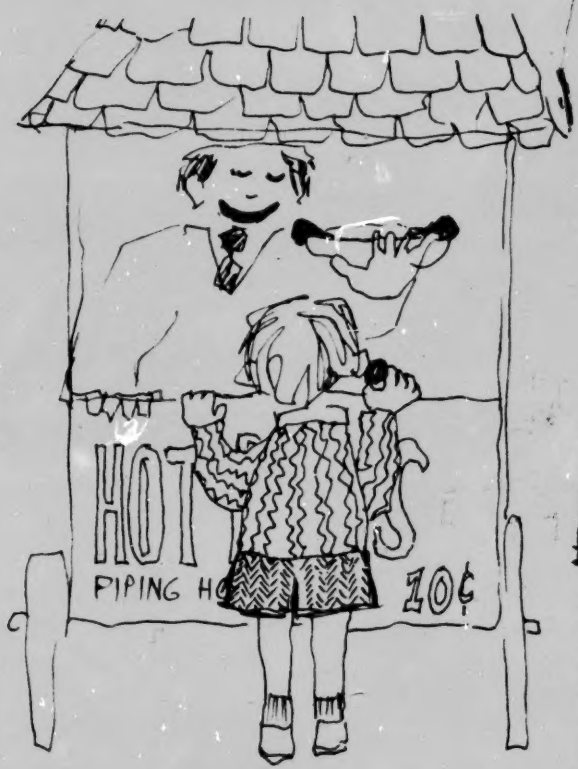
CHAPTER 5.

Money

In each picture,

which person is Buying?

which person is Selling?



00031

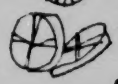
WHICH COST MORE? *

☐ A dress or a piano? ☐

☐ Bubble gum or ice cream? ☐

☐ A TV set or a car? ☐

☐ A car or a motorcycle? ☐

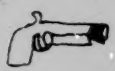


☐ Aspirin or a bicycle? ☐

☐ Lipstick or a transistor? ☐

☐ A music record or a wrist watch? ☐

☐ Six-pack of beer or can of soup? ☐



☐ Play guns or shoes? ☐

☐ A comic book or bread? ☐

Pick a friend to show your answers. See if you both agree. Make up some Which Costs More? of your own. Check prices by visiting stores or looking in your daily newspaper, or any other way you can.

WHERE DO YOU GET MONEY FROM?

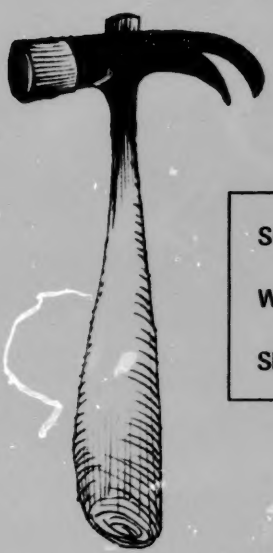
check one or more

- ☐ parents, anytime I need it
- ☐ regular allowance
- ☐ relatives
- ☐ earn it
- ☐ other

*All kinds of "qualifiers" will emerge — fulfilling the purpose of the activity.

00032

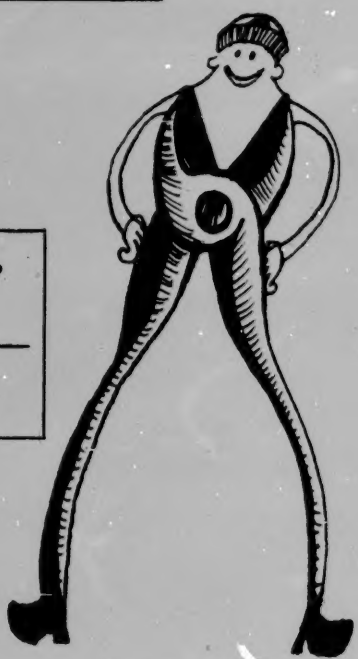
Most children get money from their parents. Sometimes a certain amount is "allowed" – an allowance. Sometimes it is earned. Sometimes it is given as a present. However you get it, money is needed when there is something to be bought. The money that we know most about comes in two main forms: metal coins and paper bills. But remember that checks are money, too. We'll come to checks later. By itself, money does little to help anyone. You can't eat it, or wear it, or sleep on it. It is only important as a tool.



Suppose you could BE any tool you wanted?

Which tool would you choose to be?_____

Share this activity with a friend if you like.



What is a TOOL? Any tool?

If we think of a tool as something that helps us do a job you might ask what job money does. The answer is lots of jobs are done by money.

JOBS MONEY CAN DO

For one thing, storekeepers accept money in exchange for the things people buy. Like a trade of one thing for another. Storekeepers would rather take your money in trade for something they are selling. They probably don't need your ball, trading cards, watch or gadget.

00033

Can you remember the last time you were in a store? Did you buy something? Was the trade easy to make?

You can see that money is a handy tool no matter where you live. It makes trading a lot simpler and easier – and faster!

Money is like having ONE SPECIAL TOOL do hundreds of jobs!

PLAY THE "MORE-THAN-A-DOLLAR/LESS-THAN-A-DOLLAR" GAME:

Do the following things usually cost more than a dollar or less than a dollar? Place a check in the column you think is correct, and be prepared to discuss your answer.

	More	Less
a postage stamp	_____	_____
a ball point pen	_____	_____
movie ticket	_____	_____
a hard cover book	_____	_____
a gallon of gasoline	_____	_____
a girl's bracelet	_____	_____
a hairbrush	_____	_____
a pocket comb	_____	_____
half gallon of milk	_____	_____
shoe laces	_____	_____
laundry detergent	_____	_____

Pick a friend to show your answers. If you have a toy cash register, you can ring up the costs. Check to see how right you are. Visit stores or look at prices in the newspaper, or ask your parents, to see how close you come to the real price.

00034

Handling money

Pretend a rich relative gave you $5.00 to spend. Write down or draw what you would buy and how much each thing costs. Maybe your teacher would let you do this in class. Later, you might want to make your own store. At that time use play or real money if you can.

Circle those things which cannot be bought with money. (Deliberately ambiguous)

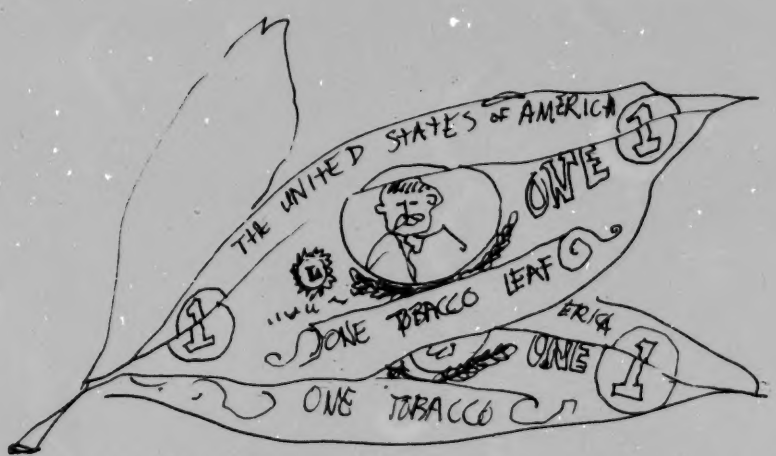
00035

There is a limit to what money will buy.

There is also a limit to how much money there is! (Banks and our government control the supply)

Money is printed by governments. They put out only a limited amount. If they did not, it would soon lose its value. This once happened. Before paper money was printed, tobacco was used as money. Soon, there was so much "tobacco-money" planted, it became as common as air. It then lost its value because it was not scarce any longer.

If you had a time machine, you could go back in time! You would see that other things were once used as money: tobacco, salt, stone, dog's teeth, beads, shells, even cattle.



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Pretend you are the King or Queen of your own country. Without using metal coins or paper money what would you declare as money?

_____

00037

Use the following money-list to see if your "new-money" is as good as coins and bills:

		Yes	No
1)	Is the supply limited?	☐	☐
2)	Is your new money easy to carry and store?	☐	☐
3)	Is your new money strong; will it last?	☐	☐
4)	Can it be divided easily? (not all things cost one whole shell or two whole cubes of salt.)	☐	☐

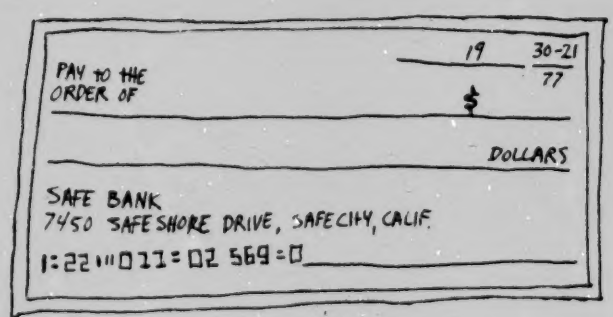
Since you are the RULER, it is assumed that the new money will be accepted by all.

Do you think your new money is as good as coins and bills? _____

Why or why not? _____

Bills and coins are not the only things that are accepted as money. Bank checks are the most common and the most important. Actually most money exchanges are made not with bills and coins, but with CHECKS!

Here is what a bank check looks like:



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Let's fill in a check. Walk in my "ant-steps" to Box Number 1. Don't skip around. Follow the number order if you want to get it right. READ all 5 boxes before you write.

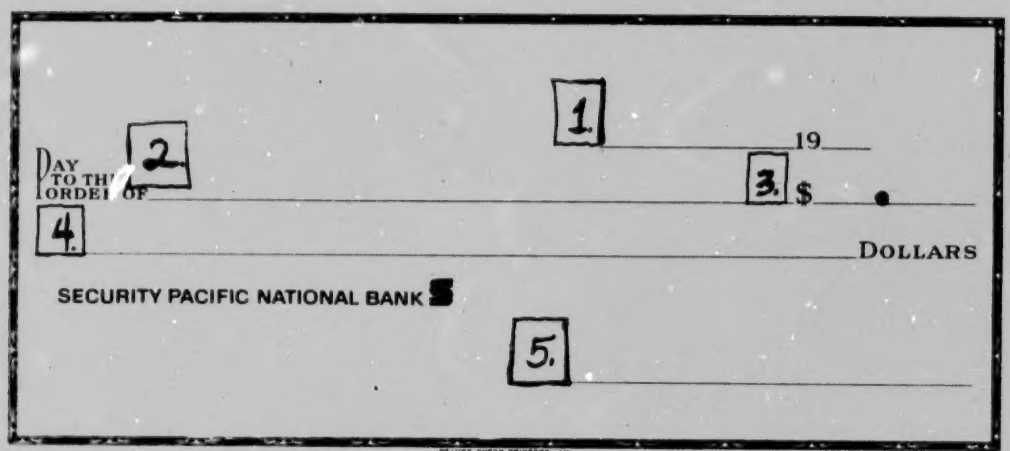
START HERE

Box 1:

Put the date here. The month, the numeral to show the day, and then the year. Part of the year is already filled in.

Box 2:

Put on your magic eye-lens and find the word "of". Place your little finger on it. Now write the full name of the person or business that is to get the money.



Box 3:

The dollar sign is here already. We have added a decimal point. Checks are written in numerals in dollars and cents, even when there are NO cents. ($5.00) This check is for exactly five dollars. But it could have been for any number of other combinations.

Box 4:

You will be writing "Five and 00/100" . . . The amount of money is written out in words here. Often a line fraction is used for the cents. Ask your teacher why.

Box 5:

You sign your name as you normally write it.
NO PRINTING, only SCRIPT is accepted.

If you followed all the squares, you are one of us check-writers.

Give yourself a hug.

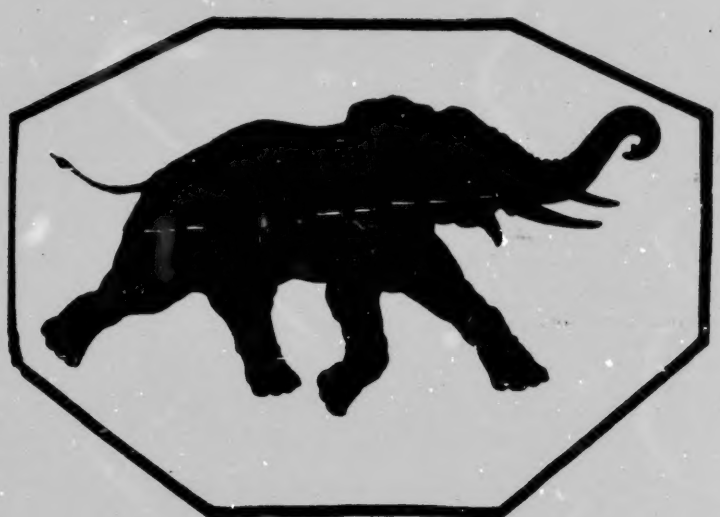
00039

A Bank is a business like any other

business – only richer?

– with apologies to

Ogden Nash.



00040

CHAPTER 6.

Banks

Look at your hands. Can you see inside to your blood and bones? Even though you can't see it, work is going on under your skin, to keep you alive. This also happens in a bank. You can't usually see the main work of a bank. Can you guess what that work is?

Check only ONE box:

- ☐ collecting money
- ☐ storing money
- ☐ lending money
- ☐ counting money
- ☐ carrying money

If you checked the third box, lending money, you are right, though a bank does all of these things!

PLAY THE MONEY-LENDING GAME

Pick a friend to be a borrower. You be the Banker! Let your friend ask for a loan to buy something big. Make him prove he is honest and will be able to pay back the loan. Then switch places and you be the borrower.

You now know what it feels like to be a banker. A banker is a business man. His business is money and credit. No businessman can stay in business unless he makes a profit. That means he must get back a little more money than he lends out. This extra money is called interest. Much of the interest goes to pay for the COSTS of banking: wages, rent, etc. Part of the interest charged becomes PROFIT or REWARD, for the bank-business itself.

00041

INTEREST

Think of the last time you took a bath with a real sudsy soap. When you added the soap to the water, it probably became a little "fluffier" than before. Why? _____

The EXTRA "fluff" in the water, in a way, is like the interest on a loan. When you pay back a loan with interest, you pay back MORE than you borrowed. Can you explain why this is necessary? _____

INTEREST also works for you. You are rewarded when you leave your savings in a bank. You are GIVEN INTEREST or extra money, since the bank has been using your money. (Remember, banks must charge their borrowers a higher rate of interest than they pay their savers in order to make a profit and be able to provide the service.)

00042

PLAY THE BANKER'S GAME

Set up your own Bank. Use real money if you can. Write down the amount of money each player puts in: you'll need a dollar bill, a nickel and a quarter.

You are the Banker. Pick a friend to be a saver. Pick another friend to be a borrower. The saver deposits one dollar ($1.00) in your bank. Take his dollar and lend it to the borrower for a year. Make believe the year is now up. Reward the saver by GIVING him interest: 5¢ . Now have the borrower pay you back the dollar PLUS 10¢ interest:

You are now 5¢ richer!

It is not all profit. You must use some of it to pay the people who work in your bank. You must also meet other expenses: rent, light, etc. You had better put out lots of other loans if you want to stay in business.

Since you want to get others to deposit money in your bank, maybe you'd like to offer them a free gift? (Just like Banks sometimes do). You will have to decide on gifts that are not too expensive. Why?
Yet, the gifts have to be wanted items.

What will you give?_____

_____

00043

WHAT HAPPENS TO THE MONEY A BANK GETS? (It gets LOANED out)

Money gets used by business men, new parents, home-owners, vacation-seekers, car-buyers. It is loaned to lots of people, for all sorts of reasons.

Certain foods burn and become wasted unless they are stirred by a cook (like chocolate pudding). Banks have the job of stirring or CIRCULATING money by "loaning it out".

This enormously useful service is used by Consumers to buy goods and by Business to help sell and produce goods. It may seem strange, but often the better the stirring, that is, the more activity, the better it can be for all. "Working" money is better than "idle" money for our economy. Can you explain why? _____

_____

KEEPING ADULTS INFORMED

Most adults think children store money only in old-fashioned "piggy-banks." Is this true? _____ Now in ONE MINUTE – see if you can name FIVE (or more) other money-containers than can hold coins and bills that have been saved.

1. _____
2. _____
3. _____
4. _____
5. _____

00044

00045

BANKS DO MANY THINGS

To find out what things banks do, play the Detective Game. You are the detective on a bank case. You will have to FIND OUT THINGS!

The Case:

Find out WHO among your "suspects"
have different kinds of activities at banks.

1. **Which suspects have money in a SAVINGS account?**
2. **Which suspects have a CHECKING account?**
3. **Which suspects have BORROWED money?**

Remember a good operator works quietly and gets his "suspects" alone – one by one. Use relatives or other adults. Find out who can be listed below in each of the three groups. Some suspects will fit into two lists, or even all three!

1.	2.	3.
Savings Account Suspects	Checking Account Suspects	Money Borrower Suspects

. . . . WAIT!

We have hurt a banker's FEELINGS!

He wants "to get into the act", too! He wants us to know that EACH kind of activity has a purpose:

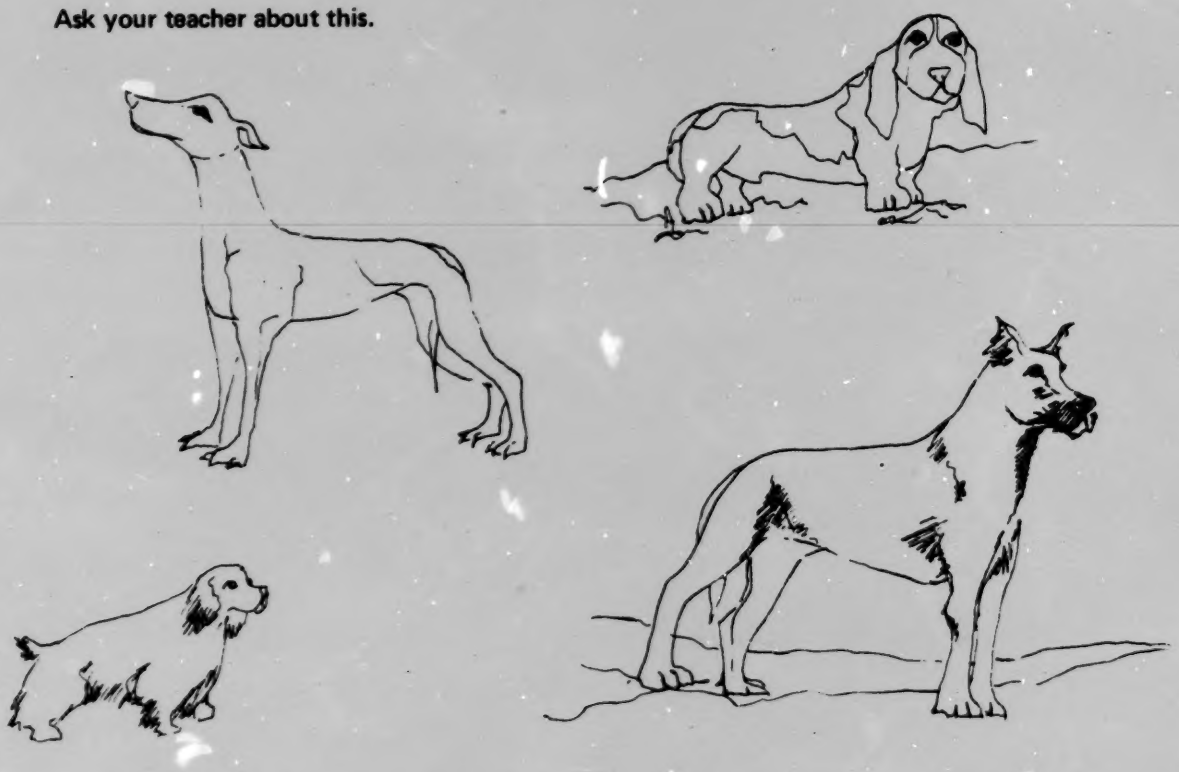
Savings Accounts hold UNSPENT INCOME, not immediately needed. You will get INTEREST on this money.

Checking Accounts are a CONVENIENCE for paying bills. They allow us to save steps by doing business through the mail. This money is usually needed almost immediately by the check-writer and most often does not earn interest.

00046

The borrowing of money is often necessary when immediate cash (especially large amounts) is not on hand. (See next chapter on Credit) It shows a certain amount of FAITH that the country will be operating "tomorrow". Certain nations are not so steady and nobody is sure that things will be normal for very long.

Ask your teacher about this.



Put an X on the Cocker Spaniel dog. CIRCLE the picture of the Greyhound. UNDERLINE the Great Dane. Put a BOX AROUND the Basset Hound.

Not all dogs are exactly alike. Not all Banks are exactly alike, either.

FOR BANKING GENIUSES ONLY

Different banking services are usually provided by different types of banks. Some will argue that certain "banks" are NOT EVEN BANKS!

Your assignment, should you be brave enough to take it on, will be to FIND OUT the differences between COMMERCIAL BANKS, SAVINGS AND LOAN ASSOCIATIONS, MUTUAL SAVINGS BANKS, even INVESTMENT BANKS . . . . . in short, as many as you can – as many that exist!

00047

CREDIT

Let us all be happy and live within our means, even if we have to borrow the money to do it with.

00048

CHAPTER 7.

Credit

"Could I pay you later? I forgot my wallet!"

00049

The cartoon tells us something about credit. The customer is known to the storekeeper. The storekeeper knows the man cannot pay now. The customer gets his newspaper without paying for it right away. The customer will pay back what he owes but later! Then his "credit will be good".

Would the storekeeper have trusted YOU to "buy now – pay later? Why or why not?_____

_____

CREDIT POWER

Your credit power is based on something known about you; are you likely to pay back what you borrowed–and on time?

From the following list below, check only those boxes that seem important for a credit-giver to know about you, the person wanting to get credit. (see answers below)

1 ☐ your hat size

2 ☐ how you get money

3 ☐ sports you enjoy

4 ☐ foods you like

5 ☐ the valuables that you own

6 ☐ your past credit record

Answers to Credit Quiz

If you checked boxes 2, 5 and 6 – you are on the right path. Check with your teacher, if any of the items are not clear to you.

Have you ever bought anything by "owing" a person? In other words, have you ever been allowed to use something without trading or paying for it right away? If you have, you have been in a "credit deal."

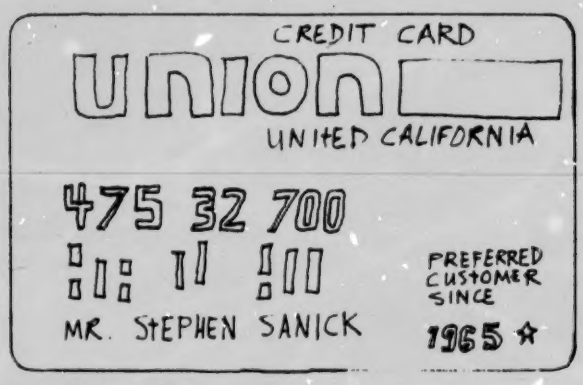
DID YOU PAY BACK?_____ ON TIME? _____

Would you agree that getting credit was a great convenience? _____

00050

WHO GIVES CREDIT?

Adults buy many things "on credit." Gasoline stations and department stores have for many years allowed customers to buy on credit. Buying on credit is now one of the most popular ways of doing business. An identifying card is given that looks something like this:



GO ON A CREDIT CARD HUNT!

Challenge a friend to see who can track down the most credit cards! Write down (and draw the designs) of the companies that issue credit cards. Leave out the name of the person on the card, since it is not important. The one with the longer list is the CREDIT CARD KING.

IS CREDIT FREE?

Very few people are able to completely pay for a car when they buy it. But credit is also commonly used for many, many other items. Lending agencies advance people money and get interest for it. The credit buyer then has to pay something each MONTH on the cost of his purchases PLUS INTEREST CHARGES. Credit is seldom free; a person pays for this convenience!

WHO GETS CREDIT?

Can a child get credit? Usually not. A regularly employed person, however, can usually get some credit. He is especially likely to get credit if he has borrowed in the past and has paid back — on time.

00051

PLAY THE CREDIT CARD GAME

Design your own credit card or copy one that you have seen. Pretend you have bought three things with your credit card:

1) an expensive "board" game – $10

2) a music album – $5

3) a sports item – $10

Get three cereal bowls; each empty bowl will be able to hold money for each of the three things bought with credit. You are now in debt for $25!

Your job is to prove to an adult that you ARE ABLE to pay back, a little at a time, with whatever money you really have. Use real money if you can. Place money in all three cereal bowls if you can. From your money that you get or earn, how much money can you pay back EACH WEEK?

- Can you pay back on ALL THREE THINGS at the same time? (What is your plan?)_____
- If not, can you pay back on JUST TWO THINGS? Which ones? _____
- If not, can you pay back on JUST ONE THING? Which one? _____
- How long will it take you to pay back? _____

Maybe you cannot afford ANY OF THE THREE THINGS AT THIS TIME. (It is well known that sometimes adults "go broke" because of too much credit buying.)

The credit "tool" is valuable, when used wisely! It helps our ECONOMY keep on growing. It meets emergencies. Even BUSINESSES AND GOVERNMENTS use credit!

00052

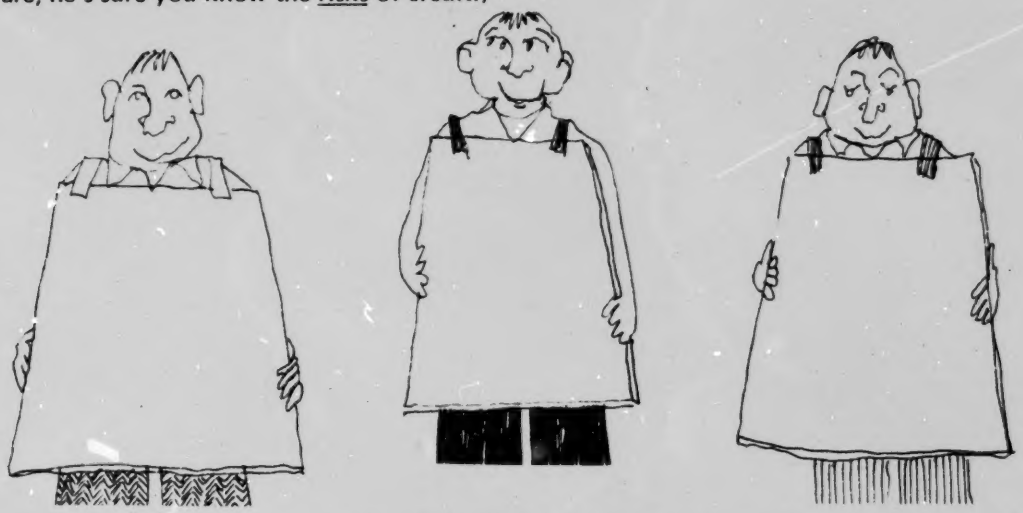
SECTION FOR GENIUS ONLY

City children may have seen "sandwich-signs." Often, other children have not.

Meet Sam,

the Sandwich Man:

Sam's job is to advertise things. This week he is advertising CREDIT. Naturally, his signs will ONLY show the GOOD PARTS of credit. (Knowing what a genius you are, he's sure you know the risks of credit.)



Sam is a little absent-minded; he forgot to print in his messages! He has three sandwich-signs that he will carry this week, (one at a time). Help him out by choosing three reasons why credit is useful: Print three messages on his "boards." (Some possibilities are on the next page.)

00053

1) Credit cards allow you to buy now and pay later!

2) You get a printed record of each purchase.

3) Sometimes you SAVE MONEY – you can buy when prices are lower during a sale.

4) Some people hate to see their paper money "disappear" – they can buy easier with a plastic card or metal plate.

5) Returning unwanted things is simplified, when you change your mind.

6) You can order by mail or phone more easily.

7) Many stores give credit customers advance notice of sales – (first choice).

8) Extra charges made of credit customers can be taken off income taxes. Ask your teacher about this.

9) Don't stop now – fill this page; ask credit-users or others to help you.

00054

PRICES

00055

PRICES

The price of something is important

only after you know its value.

—apologies to Oscar Wilde—

00056

CHAPTER 8.

Prices

Let's hunt for GOLD!

Imagine you are a prospector in Alaska.

Gold can be gotten by "panning" for it like this:

00057

More commonly, Gold is found "locked" into rock, as ore — Gold ore. Fortunes were made by men who "struck it rich." Others came. Whole towns grew up overnight during a "Gold Rush."

This caused problems. There wasn't enough time to plan for new towns. So the things people needed weren't around. Prices rose.

How would you like to pay $10.00 for ONE EGG? This actually happened. Why should the price of an egg go so high?

Guess: _____

_____

You deserve a medal if you said: "when the demand or desire for eggs is high, and the supply of eggs is low, the price of eggs goes UP."

If the demand for eggs fell, and the supply of eggs is increased, what would happen to egg prices?

Guess: _____

_____

If you said, the price would go down, give yourself a hug.

00058

ATTENTION!

PLAY THE BARGAINING GAME

Pick out something to sell. A toy – a game – a book, perhaps. What have you chosen? _____

Determine its value. Decide the least amount of money you would sell it for.

Checklist: ✓

What was its original cost? _____
(guess if you're not sure)

Is it new? Used things are usually worth less.

Is it still in usable condition?

Is the item a wanted one?

Write down that amount of money you decided on. Keep that figure handy at all times. Do not reveal it. You are the SELLER.

Now, pick someone to play the other role: the BUYER. Your job as the seller is know the least amount of money you will settle for. BUT . . . . you will try to get the MOST money you can. (just like the makers and sellers of goods anywhere)

You START the game by asking a price you KNOW IS TOO HIGH (allowing you to come "down" later).

The buyer FOLLOWS by offering a price which is TOO LOW (allowing him room to raise it later).

The CHANGES in asking and offering that follow are called BARGAINING. In some countries, people like to bargain on almost everything that is bought and sold. They enjoy the bargaining skill almost like a game. Most Americans do not fully under-

00059

stand this. We usually do not accept bargaining as a game to be enjoyed between people.* Yet, a form of bargaining is the way some store prices are set. A price is placed on an item. If the item does not sell at that price, it gets lowered until it does sell. That is what a "Sale" is: a lowering of prices.

In a way, it's like "bargaining" with the store, but not face-to-face! And it is a slower and less obvious form of bargaining. In our game, when both buyer and seller agree, the price of the item is set. And the game is over.

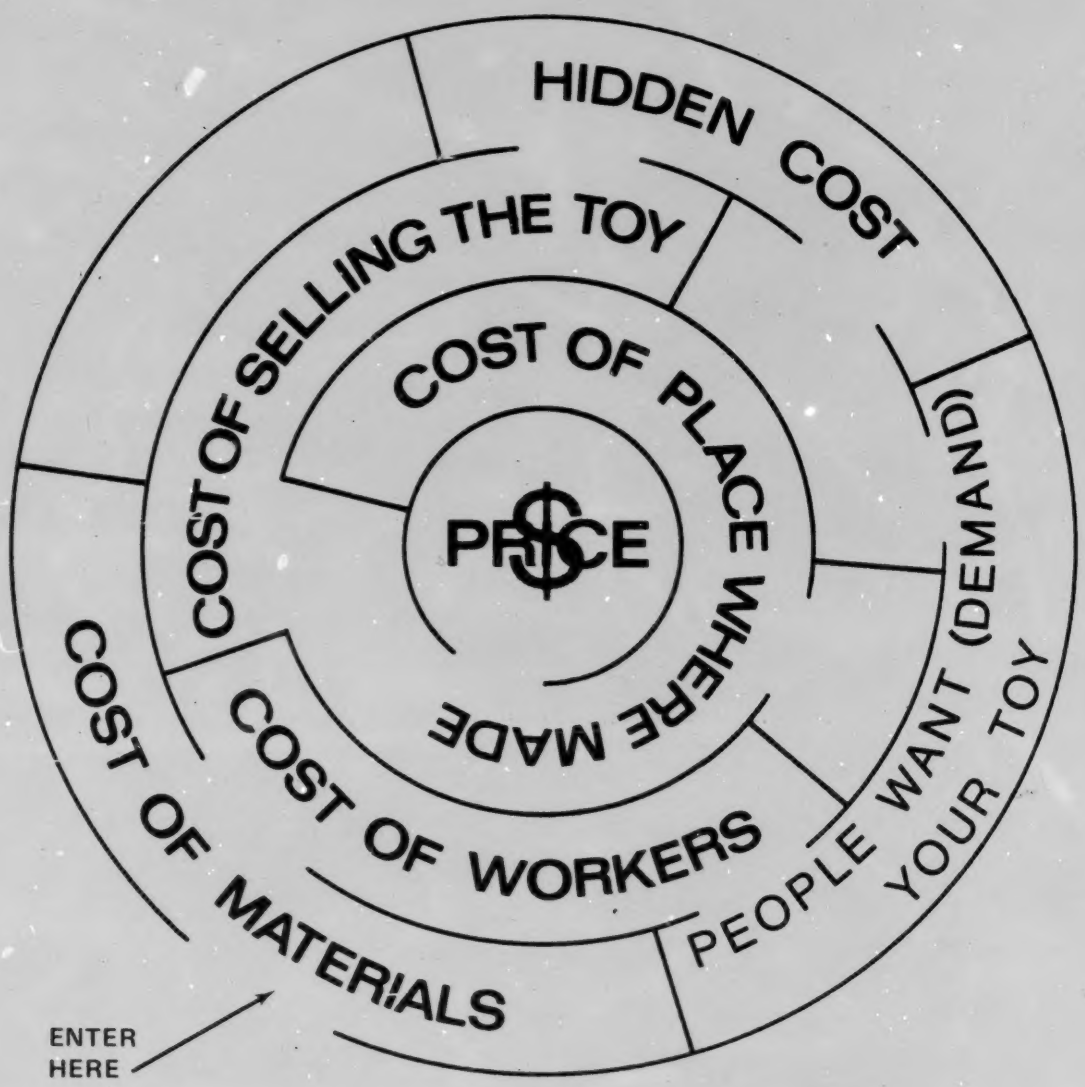
*But, we do bargain for cars and houses.
Challenge: Can anyone think of other situations where bargaining is common in the U.S.?

00060

WHAT PRICE WOULD YOU CHARGE?

You have just invented a new toy. Have you ever heard of the "hula-hoop"? Your invention is like a "hula-hoop", but it is used on the fingers. Before you make a price, use the following puzzle to help you. Remember, you may not cross any line – it blocks your pencil. Move through open spaces only. Some of the things to consider are lettered in the puzzle-maze:

Directions:
Without lifting your pencil, try to reach the "price" through each problem-cell.



00061

What Price did you decide on? _____

Ask a friend if he would pay that amount for a finger hula-hoop.

PLAY THE "PRICES UP/PRICES DOWN" GAME.

Consider the new toy you invented. When it first comes out, all your friends will want one. Will the price be UP or DOWN? _____ Why? _____

_____

Use an arrow like this ↑ for UP.

Use an arrow like this ↓ for DOWN.

You keep selling your new toy. Pretty soon, everybody has one. Will the price go UP or DOWN? _____ Why? _____
(Use the Arrow Code)

More "Prices Up/Prices Down:" (use the arrow code)

___ 1) Buying a swim suit when summer is over.

___ 2) Buying fresh fruit (not canned) in winter.

___ 3) Being the first in your neighborhood to get a new-type TV.

___ 4) A food-maker changes over to quick-cook, fast-serve packages from his old way.

___ 5) Buying a shoe style that will not be made anymore.

___ 6) Buying a sweater with slight, hidden damage.

___ 7) Buying Christmas cards AFTER the Christmas season.

___ 8) Things put into extra fancy packages — — the "insides" are still the same.

___ 9) Buying a large number of an item, not just one.

___ 10) When many people are out of work.

GENIUS SECTION:

Make up your own PRICES UP/PRICES DOWN item. _____

_____

Test it out on a friend or an adult.

00062

economics

AMERICANS NEED ECONOMIC EDUCATION AS NEVER BEFORE!

09963

BUSINESS

The real business of Business is people.

00064

CHAPTER 9

Business

You are lucky! You just inherited a gum-ball factory! You will get the chance to obtain income not only from your own labor, but from profits on your property.

You are now a businessman!

Since you are so nice, you are going to GIVE EACH child in your school a free gum-ball. How many children are there in your school? Guess: _____ Ask your teacher or principal. Were you close? _____

If you have a few hundred gumballs to pass out, one-at-a-time, it may take a long time. It might make people impatient to wait so long. Can you figure out ways to do it which would speed up the process?

List them here: _____

_____

You can see that handing out goods one-at-a-time can be improved. That's why we have stores. Giving away your gumballs through a store would be much faster. Stores sell MANY of ONE THING. And many KINDS of things, all together in one place. It is convenient. Draw a picture of your favorite store or one that you'd LIKE to have as your favorite:

Who owns that store?

Many times, when we don't know or it's hard to find out who owns a store, it is because it is owned by a corporation. Big stores are usually owned by corporations. (More about this later.)

00065

This man says, "I am my own Boss."

He means he owns and controls his business SINGLY, or alone. This is a <u>business arrangement</u> – single ownership (or proprietorship.)

00066

This man says, "I am my own Boss, too, but I share everything with another man. He is my partner. We share our work and money as partners.

It makes it easier for both of us." This business arrangement is common – it is known as a partnership. More than two persons can be involved, however.

00067

Who owns your school? _____

If you said, "the people who live there own the school TOGETHER," give yourself a hug.

Interestingly, having something owned by many people is the most important form of any of the BUSINESS ARRANGEMENTS – the CORPORATION.

Most corporations are organized to earn money. But some are not. Are public schools organized to earn money? _____. Pat yourself on the back if you said, "No." (Schools are NOT corporations, yet they resemble them in some ways – ask your parents to explain this.)

Unlike schools, which are a special form of the government, most other corporations ARE organized to earn money: like the large store we spoke of earlier.

Since a business corporation is owned by many people, you could be an owner – buy a share of stock on the stock market and you will OWN part of a corporation. Many people are needed to raise all the money needed by big business. TOGETHER they share the PROFITS and RISKS, hoping to earn money.

FOR THE ABLE:

What are the advantages of this shared ownership? _____

_____

Any disadvantages? _____

Are business corporations organized to earn money? _____

How do you know? _____

_____

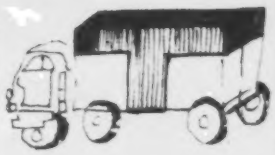
Remember, Corporations come in all sizes: small, medium or large (even SUPER!)

All businesses are owned by someone: who OWNS you?

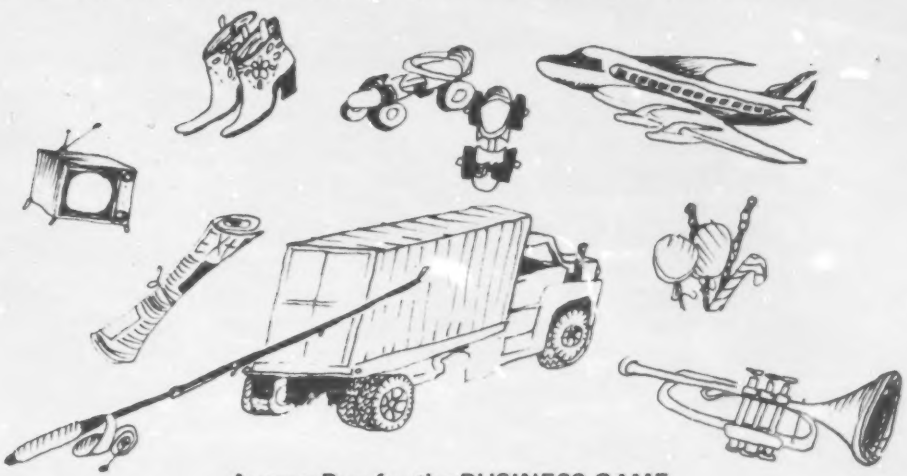
00068

PLAY THE BUSINESS GAME

Here are three TYPES of Business

(Moving people and things)	(Telling things)	(Making things)
		
"T"	"C"	"M"
for the TRANSPORTATION BUSINESS	for the COMMUNICATIONS BUSINESS	for the MANUFACTURING BUSINESS

Ask your teacher to help you learn the jawbreaker words above. Under each picture below place a "T", "C" or "M" to show into which of the three TYPES of Business each of the items might belong. (We are limited here to only three)

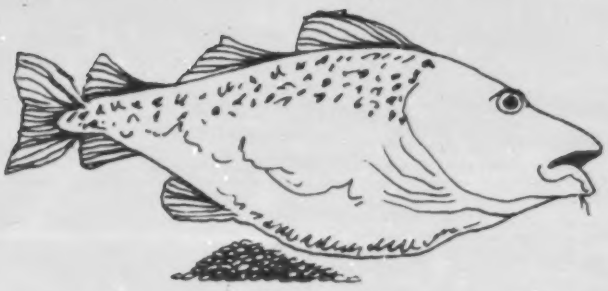


Answer Box for the BUSINESS GAME

If you see the airplane as being MANUFACTURED (M) as well as moving people (T), you are a genius. The same goes for a TV set or a newspaper. Can you guess why? Seldom is any ONE answer always correct! What-ever your feeling, defend it!

Pick a friend or ask your teacher about this activity.

00069



ADVERTISING

The codfish lays ten thousand eggs,
The homely hen lays one,
The codfish never cackles,
To tell you that she's done.
And so we scorn the codfish,
While the humble hen we prize,
Which only goes to show you
That it pays to advertise.

00070

CHAPTER 10.

Advertising

Have you ever thought about walking INTO the TV picture?

Let's do it!

Now you can scoop up all the toys and other things that you've been seeing! What will you pick? List or draw those things here:

1.

2.

3.

4.

Seeing a thing advertised on TV is one reason why we CHOOSE certain items to buy.

There are other reasons too. Check to see which reasons (listed below), explain how you came to own certain things:

Check one or more.

- ☐ someone else had one
- ☐ came as a gift
- ☐ saw it in a store
- ☐ saw a picture of it
- ☐ some other way (explain)_____

_____

Did you ever fight with someone over something, a toy perhaps? Both of you

00071

wanted the same thing at the same time. Businesses do this. Businesses fight or COMPETE with one another for our attention – and our DOLLARS! Each wants us to buy his service or product. A battle weapon? ADVERTISING!

Advertising is a powerful force that tells us what is for sale. It also creates a desire in us for things. It suggests new products for us to try. It repeats the message often – urging and convincing us to buy. It reminds us that products will benefit us in many ways. We see people we admire using products – so the product MUST BE GOOD! Is this necessarily so? You might ask your teacher to help you think through the effect advertising has on you.

WHY DID YOU BUY?

PRETEND YOU are HYPNOTIZED! You are in a TRANCE! You will think of things that you or members of your family may have bought, because it was advertised! Below are groupings of things to help you remember since you must use your powers of remembering:

food items (chewed o eaten)

bubble bath, toothpaste (any "health" item)

toys that move (like cars)

"cuddle" toys (like figures or dolls)

sports items (like balls or bikes)

board or floor games

books, magazines, puzzles

"doing" items (like building or art-coloring sets)

items to look at (like those you put on a shelf or paste to a wall)

00072

Now that you have thought awhile – you are still HYPNOTIZED, so you must obey!

List those things you bought because they were advertised. You will need a good list in order to play the "Heads/Tails" Game.

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____

PLAY THE "HEADS/TAILS" GAME

Get a coin. Look at it carefully. One side is called "heads." See if you can tell why. The other side is called "tails." Be certain you know which is the "head side" and which is the "tail side."

You are now ready to play the Heads/Tails Game. Go back to your list of items that you bought because of advertising. Consider each item, one at a time.

00073

When the item was brought home and used, were you disappointed that it was not as good as you thought it would be?

Items that did satisfy you will go into the HEADS column.

Items that did NOT satisfy you will go into the TAILS column.

HEADS	TAILS

It is very hard to remember way back from when you WANTED an item to the time you actually GOT it.

Remember that you are still hypnotized so you will do correctly what you are asked to do!

Now, consider just the items in the TAILS column.

What would you say to a younger child about buying those items?

Give him some tips on how to spend his money wisely. Buying things and "letting certain things go" are difficult choices to make.

Now go to a mirror and give those same tips to the wiser child you see there!

00074

OCCUPATIONS

00075

Puzzlers:

What is work? _____

_____

_____

What is play? _____

_____

_____

Can work ever be play? Explain: _____

_____

_____

Can play ever be work? Explain: _____

_____

_____

00076

CHAPTER 11.

Occupations (Careers or jobs)

Find a mirror. Look at yourself. Try to imagine yourself as an airline pilot. Does it seem possible? Imagine yourself in other jobs:

a nurse or a writer of verse

a musician or a magician

a song writer or sky-writer

a pizza maker or cookie baker

a hairdresser or pants presser

a mine worker or soda jerker

an astronaut – are you short?

is this too tame? then play a game–

PLAY THE OCCUPATIONS GAME

Pick a friend. Both of you will need pencil and paper. One of you writes down the name of an occupation. The other must match it by naming a different occupation. No repeating allowed. When one of you is unable to go on, the other player is the first winner. The other player is the second winner.

You are NEVER TOO YOUNG to think about what you will be when you grow up. Most people work most of their lives. There are over 20,000 listed occupations! That is a lot to think about, so it is best to start early!

WHY DO PEOPLE WORK?

Children get money from adults. But where do adults get money? Mostly from work. Some people have jobs or own businesses where they make a lot of money and other have jobs where they make less, sometimes very little.

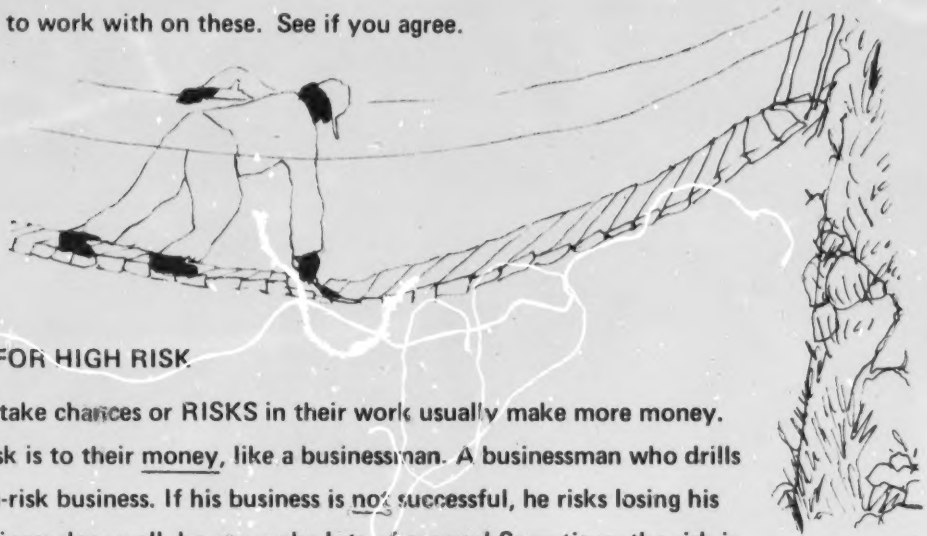
00077

00078

WHO EARNS MORE MONEY?

☐	a store clerk,	or	a doctor?	☐
☐	an astronaut,	or	a TV repairman?	☐
☐	a gardener,	or	a movie star?	☐
☐	a candy store owner,	or	TV announcer?	☐
☐	a professional ballplayer,	or	a roofing worker?	☐
☐	a waitress,	or	a dynamite worker?	☐

Pick a friend to work with on these. See if you agree.



MORE MONEY FOR HIGH RISK

People who take chances or RISKS in their work usually make more money. Sometimes the risk is to their money, like a businessman. A businessman who drills for oil is in a high-risk business. If his business is not successful, he risks losing his money. If his business does well, he can make lots of money! Sometimes the risk is to a human life: like the worker who paints bridges or works with explosives. He will usually earn more money than someone who does not take these risks.

Find your mirror. Examine yourself. Do you think you would like to be in a business where there is high risk?* If you can't answer now, think about it. The answer may appear to you at some time in the future.

MORE MONEY FOR LONG TRAINING

Jobs that require more education usually pay more. Dentists, lawyers, and doctors take a long time to be trained. The demand for these services is high — but the supply is seldom abundant. Their skills are considered important by people and are costly.

*Of course there is some risk in any career.

00079

Use your mirror again. Examine yourself. Do you think it is worth it to struggle through long training? Many who have done it say "YES", it is worth it!" If you can't answer now, think about it. The answer may come to you in the future, if you tell your brain to think about it!

> Why does your choice of an occupation decide in a big way which goods you and your family will be able to afford? (Some call this "life-style.")

EARNINGS THAT CHANGE

Some workers are not paid a regular, set amount of money. Some sales persons are paid according to how much they sell. If they sell a lot, they earn a lot. When they sell less, they earn less. Is this also true for business people?

> Successful salespeople are among the highest paid workers in the world!

Certain other workers are paid only for each "piece" of work done: pieceworkers. They receive an amount of money for each hat, radio or box of cherries completed. They are usually very fast workers or else they could not make enough money.

See if you can find anyone who is in sales work. Also hunt for a person who can tell you about piecework. Ask them to tell you about their jobs.

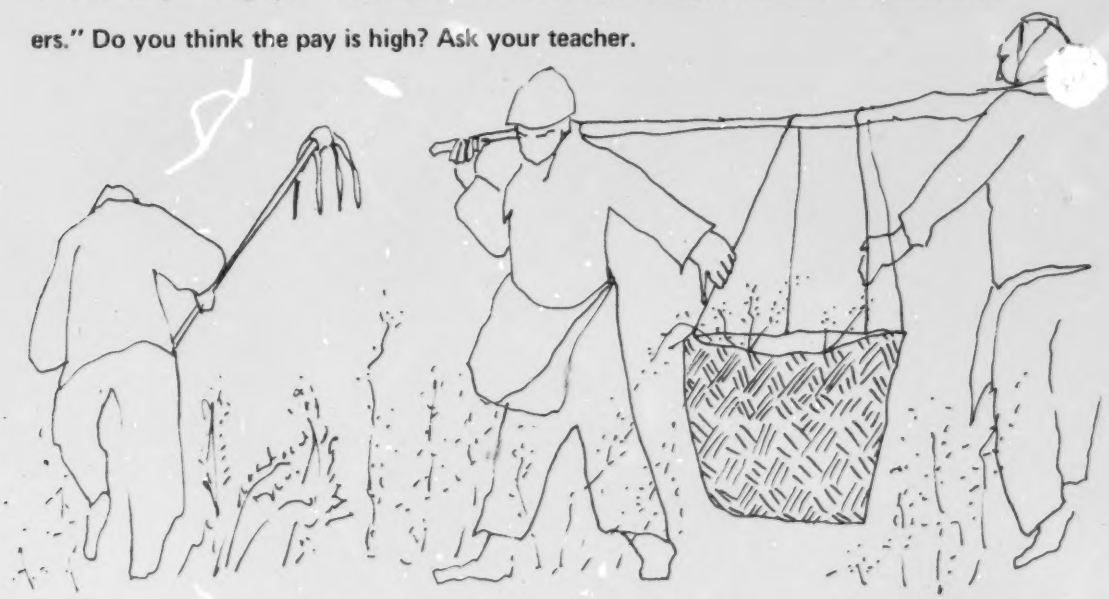
00080

PIECEWORKER SPEED RACE

Pick a friend to see who can work faster! Select a job like cleaning erasers, or emptying waste baskets. Ask an adult to help you select the job. Set a time limit of 5 minutes. Remember, speed is not enough! The job must be done in a complete way. Count how many "pieces" each person completes. The player with the higher number is the better pieceworker.

SEASONAL WORKERS*

Workers who get work for only parts of the year usually do not earn as much as workers who work the year-round. Fruitpickers have to go where the crop is and so work mainly during the harvest season. For this reason they are called "seasonal workers." Do you think the pay is high? Ask your teacher.



*Seasonal unionized people, however, get more, not less. Often building trades have a higher rate of pay to offset bad weather's limited earnings.

00081

TOO MANY WORKERS? ..... less money, and less jobs.

ONLY A FEW HIGHLY TRAINED WORKERS? .... more money, and more jobs.

In certain businesses many workers try for only a few jobs. Often the needed skills DO NOT REQUIRE LONG PERIODS OF TRAINING. Unskilled workers usually are paid less than skilled workers. Even when the work is hard on the body, like lifting or cleaning things, the pay is usually lower. The importance of developing job skills is obvious!

How different is the new computer industry! It is an example of high pay for high skills. People who know several foreign languages are few in number. They too, are often highly paid. And they often are able to have more choice as to which job they will take!

THE STRANGE CASE OF THE DISAPPEARING JOBS

Computers have made many new jobs. Other jobs have disappeared. Here are five occupations no longer with us:

1. lamplighters
2. town criers
3. book copiers
4. buggy-whip makers
5. knockers up (used a long handle to tap the window)

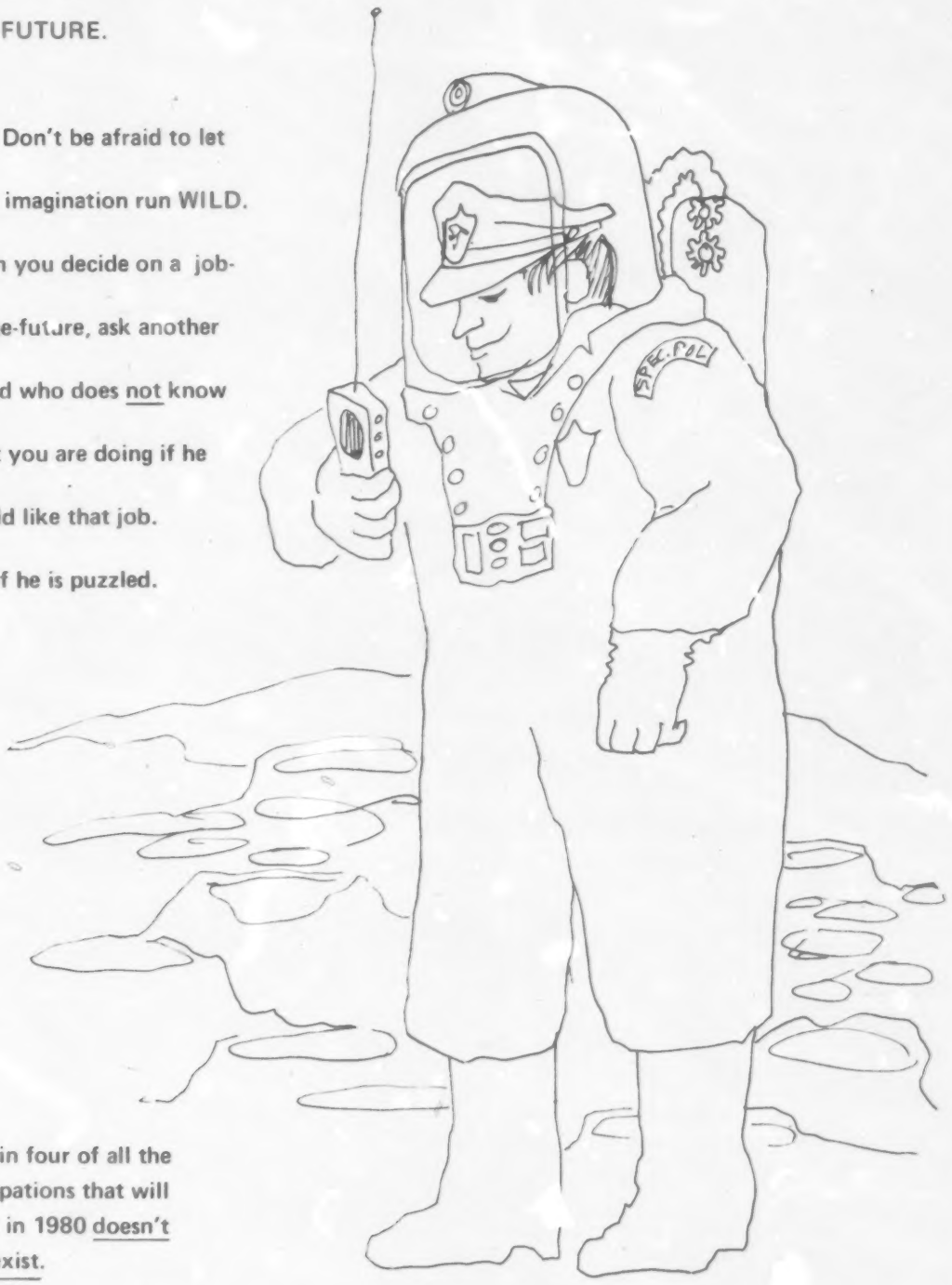
Can you guess what tasks each of these workers DID? Can you guess why they are no longer needed? Ask your teacher to listen to your answers.

00082

ZOOM INTO THE FUTURE! *

Right now there is no such job as MOON POLICEMAN. It would be an occupation of the future. Pick a friend to work with and see if you can invent a JOB-OF-THE-FUTURE.

Don't be afraid to let your imagination run WILD. When you decide on a job-of-the-future, ask another friend who does not know what you are doing if he would like that job. See if he is puzzled.



*One in four of all the occupations that will exist in 1980 doesn't yet exist.

00083

GOVERNMENT

Perhaps the only function of Government should be to make life livable for all of us.

— Justice Oliver Wendell Holmes

00084

CHAPTER 12.

Government

Got any brothers and sisters? (or a close friend?)

Ever fight with one of them?

Ever dream about how nice it would be to have your brothers and sisters scattered to other places for awhile?

Pretend each of your brothers or sisters is away at a different friend's house for a week. How does it feel to be alone? _____

During the week your parents announce that your family will visit the amusement park -- RIDES! You must now contact your brothers and sisters to tell them. Then you must arrange for the group to meet. Then you must gather at the right time. When you do all this, you may rest . . . .

. . . . NO! Your parents forgot to tell you that the day before you go you all must get some new clothes. Now you must contact each of your brothers and sisters and go through the entire process again!

It might get tiring. A scattered family is not CONVENIENT! Neither is a scattered country.

What State do you live in? _____

Suppose your state printed its own money? When visiting another state, your state's money might NOT be accepted. Like the invonvenience of a "scattered family", this money-system would not be convenient.

It is convenient to have one kind of money for all our fifty states accepted by all without trouble or question -- "CENTRAL-MONEY!"

A central system within one country is a great convenience.

00085

What's your favorite TV program? _____

Many of the TV programs you watch come from distant cities. If this free movement of programs within our nation were not allowed, you might not see much TV.

Free movement of food, toys, money, materials and TV programs is now possible but at one time this was not so. This development has enriched our lives.

People who draw for newspapers usually show our central or federal government this way:

connect the dots

The cartoon man who represents our country, the United States of America, is called "Uncle Sam." Can you guess why?

_____

00086

The "U" comes from "Uncle" – the "S" from "Sam" – "U.S." which means the United States.

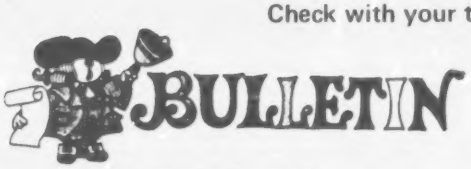
This started long ago as an unfriendly name, but gradually was accepted. Our law-makers in Washington, D.C., "Congress", made a ruling accepting "Uncle Sam" as our national symbol. When you see a picture of Uncle Sam the artist means our entire nation or country.

Someone once said that Government is like a parent - it takes care of us, rewards us, sets rules (laws) and punishes us when we break the rules.

Just as many of us have more than one parent, we live under more than just one government! We live under a central – U.S. government. We also have State and local governments. The "local" government is the one in your city, village, township, or county.

Name your "local" government: _____

Check with your teacher to see if you are right.



Bees are cruel!

Did you know that they get rid of anybody who can't work? (Except the young)

Even if a bee wants to work, but is too old, or too sick, out it goes!

Do YOU work full-time for a living?_____

If not, be glad you're not a Bee!

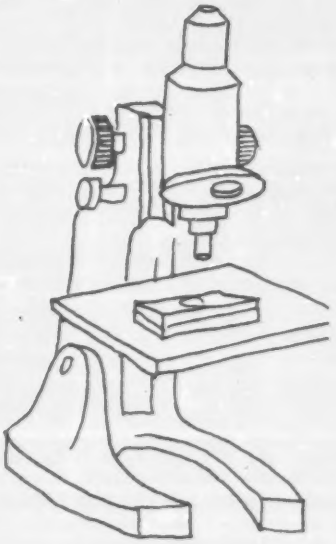
Long ago, PEOPLE used to get rid of the old or sick.

In some parts of the world, they STILL do.

The U.S. government tries to keep the economy's engine running to provide jobs in business for all who are looking for work.

Our system is not perfect. But, we are lucky because we live in a country that cares about the welfare of its people, like a good parent. Old and young alike.

BE A SCIENTIST



Here's your microscope. We are going to look at slides. The first slides are YOUNG slides. They will focus on things our governments do for the young:

Slide 1. The United States is one of the very few countries that provides a free education for all. That is a huge and expensive job.

Slide 2. The children of mothers who cannot leave them to go to work are provided for.

Here is a slide for the "old"

Slide 1. The United States has a giant plan to help old people not worry about money: Social Security.

Here are some slides that affect BOTH old and young:

Slide 1. Widows, (ladies whose husbands have died) are helped. Even when a widow is not old.

00088

Slide 2. When a worker is hurt and cannot ever work again, he will be helped. This can happen to young persons as well as older ones.

Slide 3. Out-of-work people, whether they are men or women, young or old, are helped to find new jobs or given some money to help out for a time. In some cases, they are trained to do new work, because their old skills are not needed.

HUMAN WELFARE PLANS

These people-helping plans seen on the slides are far from perfect plans. There are some who say when workers do not produce, they should not get any money. Others say that since goods are NEEDED even when one does not or cannot work, help should be given because it is fairer.

People argue VERY STRONGLY about human "welfare".

Welfare plans have to be invented – we just don't find them! Can you invent a plan for human welfare better than the bees' plan? _____

_____

_____

_____

_____

_____

_____

_____

_____

_____

Ask your teacher to talk this over with you.

00089

TAXES

Taxes never get the right amount of money

from the right people

are never enough to do the right jobs

are never collected at the right time

. . . . but in this world nothing is certain

but Death and Taxes!

(adapted from Benjamin Franklin)

00090

CHAPTER 13.

Have you ever felt like running away?

Grownups feel that way sometimes, too. Especially when they have to pay Taxes! What is a tax? _____

Let's all run away to "NoTaxLand!" Here our money for candy, cars, movies and Everything buys more. No taxes! How sweet!

Hold it, here comes someone with a Gun. He's going to take our money away – help, Police!

I just remembered – there are no Police! This is NoTaxLand – so there are no taxes to pay for police. Well, the thief got away. Besides Police, I wonder what else we're going to have to do without? We'll use a Peep Box to show us.

PLAY THE PEEP BOX GAME (See page 86)

A Peep Box is something you look into like a telescope. It has pictures inside. Try to guess what we're going to do without in NoTaxLand from the pictures:

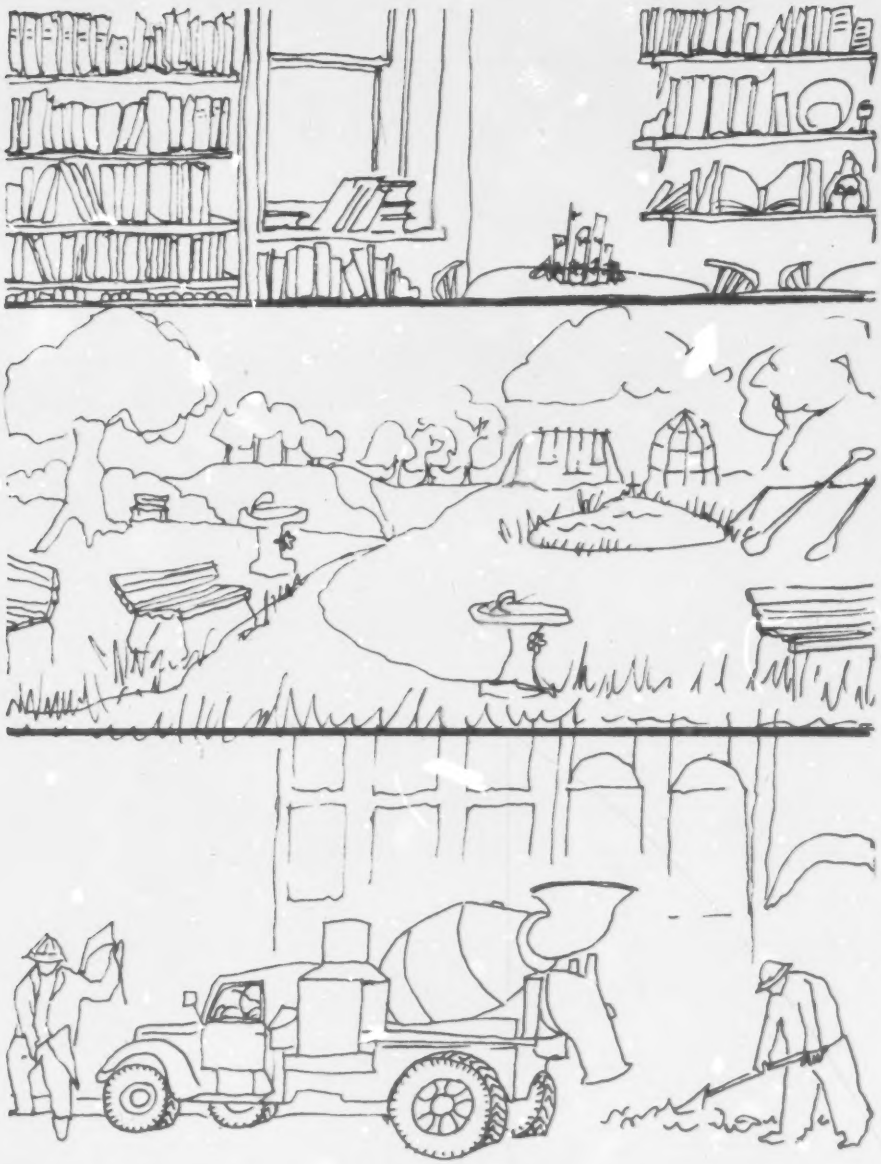
Picture 1. We see rows of books, magazines, story hours and special displays.

Picture 2. We see lawns, trees, drinking fountains, a playground and lots of benches.

Picture 3. We see a tar-maker, concrete truck, heavy diggers and rollers and lots of other heavy equipment.

00031

THE PEEP BOX GAME



Answers to the Peep Box Pictures

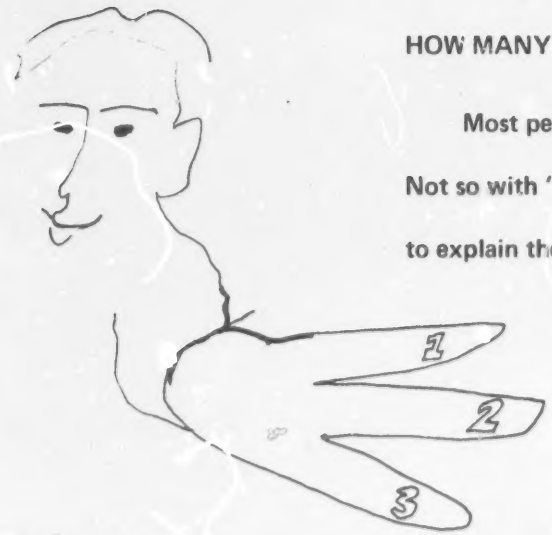
1. Libraries
2. Parks
3. Roads

26000

WHO PAYS TAXES?

Everyone pays taxes! And not just adults. Governments make children pay taxes too when you buy things. Sometimes the extra money you pay is clearly labelled "tax". Sometimes it is not. But it is there just the same.

Generally, wealthier persons pay more taxes because they are able to.



HOW MANY TAXES ARE THERE?

Most people have 5 fingers on each hand. Not so with "3-Fingered-Lefty." Let's ask Lefty to explain the 3 main kinds of taxes.

Finger 1. Lefty says people and businesses pay taxes on the money they earn. (Income Taxes)

Finger 2. Lefty also says people pay taxes on the things they buy. (Sales Taxes)

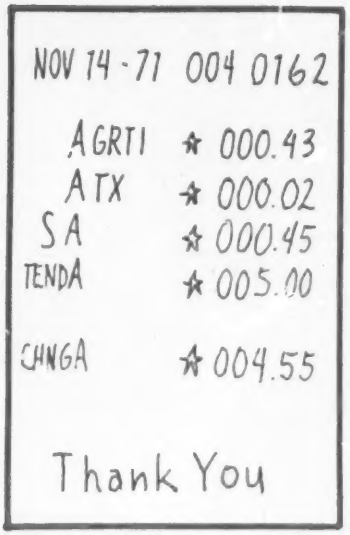
Finger 3. The third main tax, according to Lefty, is on land and buildings called REAL ESTATE. (Property Taxes)

3-Fingered Lefty wants to know if you think the opposite of "Real" Estate is "False" Estate? Not so. "Real" Estate is just seldom moved from place to place. Other personal property usually is. (Toys, shoes, autos, furniture, appliances, jewelry, books, etc.)

00093

GO ON A TAX HUNT!

See if you can locate sales slips or cash register "tapes" from stores or supermarkets. This is what one may look like:



Some of the supermarket tapes are so long they look like snakes! See if you can "crack" the secret code that shows where the extra money, tax, was added to the costs. When you can, show it to a friend or your teacher.

Hint: Also see telephone bills, light bills, and others.

CASH REGISTER GAME

3 Fingered Lefty will help us by ringing up tax items on his special cash register. Remember he has only three fingers, so there are only three "keys." Most cash registers have lots more.

The three keys are:

(1) Tax on earned money.
(2) Tax on bought items.
(3) Tax on property.

Read the statements at the left. In each case, a tax must be paid. Decide which one of the 3 tax keys Lefty should use for each situation:

Tax Key Number

(1) A Bluebird gets a tax bill for the nest he has just built. _____

(2) A Skunk buys a new brand of chemical STINKO. _____

00094

Tax Key Number

(3) A Beaver completes a dam for a Bear and is getting paid. _____

(4) A Lioness gets a bill on some empty land she uses for hunting. _____

(5) A hungry Octopus with bad eyes has to buy his crayfish from the fish store. _____

(6) A winning Racehorse gets a tax bill. _____

(7) A Goat gets a bill on his favorite junkyard. _____

(8) A skinny Dog starts buying his own meat from the butcher. _____

(9) A Fox is rewarded with money for protecting a farmer's chickens. _____

(10) A Horse, tired of iron shoes, buys a pair of sneakers.* _____

FINISH THIS STORY

In a certain land, the people wanted more and more services from their government. But, they also wanted to have their taxes reduced, so . . .

*You may know the item as "tennis shoes" or "deck shoes" or _____ in your part of this HUGE country –

00095

LOBBYING

"Even if you convince me, you won't convince me –

she's a girl, and girls aren't invited to my party."

(– with apologies to Aristophanes –)

00096

CHAPTER 14.

Lobbying

Ever want something VERY BADLY? . . .but when you asked, the answer was "No." So, in order to get it, you had to convince somebody?

What was it that you begged, screamed or nagged for?

_____

You were trying to INFLUENCE someone for your OWN BENEFIT.

There is an important group of people who try to influence law-makers for the BENEFIT of those they work for. They are called LOBBYISTS. They try to INFLUENCE law-makers to PASS or DEFEAT laws. These lobbyists represent "special-interest" groups.

PLAY THE LOBBYIST'S GAME

You are in school. A certain group of students and teachers are considering ways in which to improve the school lunch.

A bunch of the kids want to have ice cream offered on the menu EVERY DAY. They ask you to join their LOBBY. Will you?_____ If you agree that ice cream should be served every day, you might decide to help, if you don't care, you might tell them to forget it.

Think up arguments and ways to INFLUENCE other students and teachers FOR or AGAINST serving ice cream every day, depending on HOW YOU FEEL.

FOR	AGAINST

00097

Chances are you were not paid any money to be a Lobbyist in this cause. Certain people earn their living by Lobbying FOR or AGAINST laws that would hurt or help the people they work for.

There really is an ICE CREAM LOBBY in Washington, D.C. This lobby works FOR laws that would help the DAIRY INDUSTRY – makers of ice cream, cheeses, butter or other milk products.

Why are they in Washington? Because Congressmen and Senators make the federal laws there. In order to try to influence these law-makers, a lobbyist must be able to conveniently see them. Have you ever dreamed about great power? _____ Our law-makers have great power. But, there is always a large "question-cloud" over their heads: What is good for the ice-cream makers MAY NOT BE GOOD for all, especially boys and girls from poor families who buy the ice cream. What might happen if a special law raised the price of ice cream? _____

_____

_____

_____

IS A LOBBY USEFUL?

Properly used, lobbying can be useful. The students in your school who want ice cream served may have learned much about ice cream. INFORMATION about the USE of ice cream can often properly be given by EATERS of ice cream. Lobbyists often have much INFORMATION about their special interest. Law-makers need information in order to make up their minds.

Unfortunately, however, sometimes lobbyists do more than offer information. A few have even been found trying to "buy" a law-maker's support by giving him money or favors. This is bribery, which is against the law. Ask your teacher to talk this over with you.

00098

00093

INSURANCE

And down into the water, went the Captain and the crew,

And down into the water, went the cargo, too!

But dry those tears, and dry those pretty eyes,

For the money from Insurance will brighten up the skies.

00100

CHAPTER 15.

Insurance

Ever dream about being a PIRATE?
Just think, sailing on your own ship and TAKING what you want from other ships! If you were a pirate, what would you take?

_____

_____

_____

We are only pretending about an uncommon happening, but pirates were a common thing in the days when our country was young.

Storekeepers (merchants) waited for goods from far away to be brought by the ships. However, sometimes goods did not arrive because of pirates.

Have you ever lost something valuable? _____ How does it feel? _____

_____

The merchants felt about the same way. They decided on a plan. Each merchant would pay an amount of money to ONE COMPANY to take the ENTIRE RISK for ALL OF THEM!

The COMPANY, paid to take the chance or risk, was then able to "assure" each merchant that he would not lose no matter what happens.

ASSURING THE MERCHANTS' GOODS – "Insurance"

If one or two ships were "pirated", the "risk-company" would give money to those merchants, but have some money left over. It was not likely that ALL the ships would be pirated at the same time. Each merchant paid the risk-company each time

00101

he set sail, even when his ship was not pirated! He could then not worry because he was "protected." But it did cost him money.

WOULD YOU INSURE THE SAFETY OF YOUR "VALUABLE"?

Do you own something valuable? A bicycle perhaps? Sometimes bicycles are lost or stolen. Would you pay 25¢ a month to insure your bike in case your bike gets lost or is stolen? Pick a friend to see if he would. Remember that if nothing happens to your bike, you still have to pay the money. But, if your bike should be lost or stolen, the "insurance company" would give you money to buy a new bike.

The ship-merchant was happy because if his ship came in, he could sell the goods. If the ship was pirated, the "risk-company" (insurance company) would give him money, which was almost as good as getting the goods.

WHAT CAN BE INSURED?

Almost anything of value can be insured! Jewelry, cars, buses, even a person's life can be covered by insurance. A movie actress might insure her nose because she cannot work unless she keeps her beauty. A baseball pitcher might insure his arm, because that part of him is so valuable.

00102

PLAY THE "VALUABLE PART" INSURANCE GAME

You are an insurance expert. What valuable part would you advise the following to insure? Write it on the lines to the left.

Part to be Insured

_____ 1. football kicker

_____ 2. a piano player

_____ 3. a bee hired as a watchman

_____ 4. a circus seal

_____ 5. a wine taster

_____ 6. a hungry shark

_____ 7. a musical composer

Answers to Insurance Game

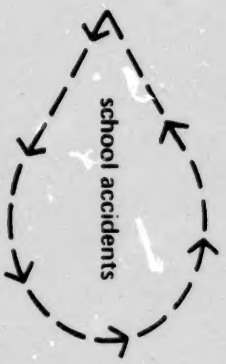
1. toe-foot-leg
2. hands or fingers
3. stinger
4. nose or flippers
5. tongue
6. teeth
7. ears

00103

"DOLLY DISASTER" is crying! Unlike most people, she is not happy unless she IS crying! Here is one of Dolly's giant tear-drops:

Keep Dolly happy by making her more tears! Follow the line-arrows around each disaster below. Each is placed on its side. When you are finished, you will have a giant tear-drop around each disaster.

start here



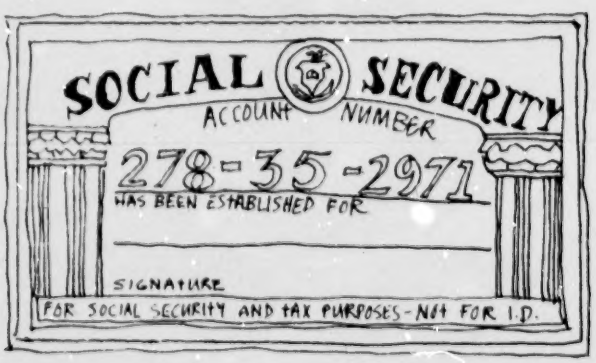
Don't tell Dolly, but all these disasters can be made less painful by insuring against them! This would make Dolly very unhappy.

00104

Most often people buy insurance because they want to: voluntarily. Sometimes it is not voluntary. For example, most of the states in the United States require auto owners to carry auto insurance.

Our country has a giant insurance plan that most workers must join. The money to support the plan is taken out of wages – a payroll tax. It is a plan to help people not worry when they are too old or unable to actively earn money. It is called SOCIAL SECURITY: "social" means "people" / security means "no worrying", so – people not worrying about money.

When you go to work you will get a social security card and automatically join this plan. This is what one looks like:



Ask your parent or other adult to find out with you which social security benefits they will be able to get at retirement age and which benefits work for you at all times, no matter what age.

Remember most people are NOT like Dolly Disaster and would rather have certain parts of their life predictable and steady!

00105

Protection isn't just a matter of luck!

Famous Pennsylvania Dutch "Lucky Star" Hex Sign to discourage evil spirits and bring good luck.

00106

Materials and sources for economics

- *How to Buy Booklets*, in English or Spanish, can be ordered from Consumer Product Information, Washington, DC 20407. Sample titles: *Como Comprar Hortilizas Frescas* (How to Buy Fresh Vegetables), 20 cents; *Como Comprar Habas, Guisantes, y Lentejas* (Dry Beans, Peas, and Lentils), 25 cents; *Como Comprar Fruta Fresca* (Fresh Fruit), 20 cents; *Como Comprar Carne para Conservar en el Refrigerador* (Meat for Your Freezer), 20 cents; and *Como Comprar Bistecs* (Beef Steaks), 15 cents. Write for names of others.
- *Guide for the Responsible Consumer.* Right-to-the-point information to help consumers protect themselves by knowing what to expect, or where to report the unexpected. The 12-page guide is $.35 for a single copy. Inquire about prices for multiple orders. *All must be prepaid.* Address requests to AAUW Sales Office, 2401 Virginia Ave., NW, Washington DC 20037.
- *Office of Consumer Affairs.* Established by executive order of President Nixon in February 1971, with Mrs. Virginia H. Knauer as director. Source of pamphlets that warn consumers against fraudulent practices and tells them what the government is doing to protect buyers of many types of products. Write: Office of Consumer Affairs, Rm. 6013, New Executive Office Bldg., 77 and 10 Sts., NW, Washington, DC 20506.
- *ACT (Action for Children's Television),* 46 Austin St., Newtonville, MA 02160, believes that children's TV programs should be free of commercialism. Do you as a teacher, parent, and/or community leader? Write ACT for information and membership blanks if you wish to become involved.
- *Penney's Educational Materials.* Ask the manager of your local or nearest Penney store about the ways to obtain teaching materials, or to arrange for a class trip to the store. In communities not served by Penney's, teachers can write the New York office for lists, and order blanks for teaching materials. Address: Manager of Educational and Consumer Relations, J. C. Penney Company, Inc., 1301 Avenue of the Americas, New York, NY 10019.
- *Consumers Union,* 256 Washington St., Mount Vernon, NY 10550. Write Educational Services Division for lists of materials already in print, or that will be available soon for starting consumer education at the elementary level or for preparing teachers to be more qualified to promote such programs.
- *Overhead Projection Visuals.* Ask for the group on consumer education listed under "Home Economics." Within the comprehension of the older child. For information, write Minnesota Mining and Manufacturing Company (3M), 15 Henderson Dr., West Caldwell, NJ 07006.

AMERICANS NEED ECONOMIC EDUCATION AS NEVER BEFORE!

- *VALUES/Advertising,* a "creative teaching unit" introduces basic concepts in advertising as they relate to consumers and the decisions they must make. Alerts students to the types of appeal built into advertisements. Order from Scholastic Magazines and Book Services, 50 W. 44 St., New York NY 10036.
- *Push,* a color film by Wombat Productions, Inc., 77 Tarrytown Rd., White Plains, NY 10607, is intended for elementary, junior-high, and senior-high students. A film without narration, it presents a bold look at the other side of our national commitment to produce more consumer items. Students are asked to consider the effects on values and goals.
- *Summer Workshops and Fellowships in Economic Education.* If you need help to improve the content and direction of your consumer education program, think seriously about participating in the Summer Fellowship Program sponsored by the Joint Council on Economic Education, 1212 Avenue of the Americas, New York 10036. For the '73 session, send an early inquiry to Dr. George Fersh, Director of the Joint Council.

- *Economics Pick-Board* – A unique gaming device for exploring what is "social" about Social Studies: how economics fits in. Small or large group potential. Perfect for individualizing. Write: "ECONOMICS" 2221 Mtn. Oak Dr., Hollywood, Calif. 90028. $3.00 postpaid.

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